

28 July 1964

ILLEGIB

MEMORANDUM FOR: Assistant for Plans and Development

THROUGH : Executive Officer, Plans and Development Staff

: Chief, Development Branch

SUBJECT : Project Approval Request for the Development of Two Groups of Three Prototypes Light-Tables

1. The Assistant for Administration's memorandum, dated 24 July 1964, (covering the subject PAR) questions the logic of a parallel development [redacted] and request that the subject be discussed with you.

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2. The following facts and background are set down for your information in relation to the requested discussion:

a. The light table is one of three items the P.I. uses most, the other two being the tube magnifier and the zoom microscope. The present light tables are not adequate.

b. The proposed light tables are the result of an intense personal research effort into what the operational people really want.

c. It should be understood that from the very beginning we had hoped to be able to let this contract with more than one manufacturer -- the equipment is so important it dictates this. A second contractor would expand our list of contractors and (in this case) vendors and help us break the monopoly (and resulting lack of cooperation) from such companies [redacted]

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d. Sixteen companies were solicited for bids. Primarily because of unrealistic bid times (2½ weeks) imposed [redacted] only three companies bid [redacted] proposal was unacceptable; if there was to be a parallel effort, it had to be [redacted]

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e. It must be understood that you can not put down in a PAR every item or consideration that goes into our decision making process. Neither is it possible to anticipate all the questions persons might conceivably ask -- PAR's would become volumes.

f. It was necessary to emphasize the [redacted] proposal in the PAR in order to prevent budget people from jumping at the lower fixed price bid [redacted] O/L had already indicated a tendency in this direction. If only one company was to be dealt with, it had to be [redacted] a really fine proposal. However, we need this equipment now. Not three years from now! R & D being what it is, it would be foolish to expect any prototype unit, no matter how well it looks on paper, to be perfect the first time around.

g. By undertaking a parallel development, we obtain two totally different approaches in design philosophy. The best designs, of both components or subsystems, from either manufacturers, would then be included on the production units at the time of manufacture with a real opportunity of cutting down the standard R&D lead time.

h. [redacted] was the only choice we had for parallel development. The only question was -- is this a sound approach from the technological and fiscal stand points. We decided, after much prolonged "soul-searching", to recommend [redacted] for parallel development for the following reasons:

(1). They had a basically good proposal and proposed a film loading system that could prove quite superior to the system envisioned [redacted]

(2). There was little duplication between the two design concepts.

(3). They offered an extremely good price. Why? There are probably a number of logical reasons.  
(a) They knowingly or unknowingly underbid the actual contract price. [redacted]

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[redacted]  
(d) they want to get into this end of the business and are willing to take a loss on the prototypes in order to make money on the production units. These are some possible reasons; there are many additional reasonable ones that could be theorized.

(4). As a fixed price bidder they must produce or not get paid. It is our intent to monitor this development to the hilt.

(5). It is quite logical to obtain an alternate design package for a relatively small investment at little risk to the government.

(6). [redacted] currently building a light table of their own design. This background should be quite helpful on our contract. PADS knows, from prior experience, that [redacted] is a reliable and competent contractor.

(7). There were some design considerations which made [redacted] proposal debateable as an only choice or as a first choice for development; however, it is an excellent choice for parallel development. At the price offered it's a bargain. At a higher price it would not have been recommended. If a better alternate proposal had been available our evaluation could, no doubt, have changed.

i. This PAR was hand carried through each member of the TDC, with copies distributed ahead of time. The PAR's originator spent considerable time discussing the project in detail with any and all persons interested enough to request any additional information or clarification. Not one of the users, the people who actually need this equipment, had any objections except why don't we have it now.

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